IN THE CLAIMS:

Please substitute the following claims for the same-numbered claims in the application:

 (Currently Amended) A method for <u>automatically</u> learning consumer behavior, said method comprising the steps of:

generating a hierarchical representation of relationships formed between an online merchant and a plurality of online parties, said representation based on referrals to said merchant of certain of said parties by other of said parties;

inputting a loaded shared business opportunity (SBO) tree, wherein said SBO tree comprises:

a root node corresponding to an online merchant, who offers promotional tools and SBOs to potential customers;

child nodes corresponding to first customers, who accepted said promotional tools and said SBOs offered by said online merchant;

grandchild nodes corresponding to second customers, who accepted said promotional tools and said SBOs offered by said first customers; and

leaf nodes corresponding to terminal customers, who accepted said promotional tools from parent customers associated with parent nodes of said SBO tree,

wherein each of said promotional tools is associated with a specific

category of item;

obtaining data relating to <u>all</u> online transactions between said parties and said merchant and <u>said first customers</u>, <u>said first customers</u> and <u>said second customers</u>, and <u>said terminal</u> <u>customers</u> and <u>said parent customers</u>,

wherein said data comprises; customer identities; and past transactions, including redemption of specific promotional tools associated with a particular category of items by a customer associated with a particular node of said SBO tree;

processing said data: and

predicting consumer behavior of a target party based on selected data relating to at least

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one party on a lower level in said hierarchical representation than said target party, said selected data selected from the processed data

selecting a particular transaction from said all online transactions;

identifying a particular node of said SOB tree, associated with said particular transaction by an identified customer;

identifying a parent node of said particular node of said SOB tree;

for each descendent node of said parent node, determining an applicability of a specific promotional tool to a particular category of items, based on said past transactions; and

outputting, to said merchant, a specific promotional tool to a particular category of items for a customer associated with said parent node, based on each applicability of a specific promotional tool to a particular category of items for each customer associated with each descendent node.

2-3. (Canceled).

- (Currently Amended) The method of claim [[3]] 1, further comprising the further step of
 providing compensation to each ancestor of a party customer that performs [[a]] an online
 transaction with said merchant.
- (Currently Amended) The method of claim 4, wherein said compensation comprises a share of the profit generated by said <u>online</u> transaction.
- (Currently Amended) The method of claim 1, wherein said selected data <u>further</u> comprises data relating to at least one <u>any</u> of:

demographics of said at least one party related to a customer; and acquaintances of said at least one party; related to a customer. past transactions of said at least one party; and clickstream patterns of said at least one party.

(Currently Amended) The method of claim 1, wherein said online transactions comprise
redemption of a sales promotional tool selected from the group of sales promotional tools
emprising comprises any of:

discount coupons valid for all items offered by said merchant:

discount coupons valid for a selected group particular category of items offered by said merchant:

discount coupons valid for a particular item offered by said merchant; gift certificates <u>valid for a particular category of items offered by said merchant</u>; and freebies valid for a particular category of items offered by said merchant.

8. (Currently Amended) The method of claim 1, wherein said processing step comprises applying at least one technique comprising determining an applicability of a specific promotional tool to a particular category of items comprises any of:

correlation analysis; collaborative filtering; and associative learning.

- (Currently Amended) The method of claim 1, <u>further</u> comprising any of: determining pricing for items offered by said merchant; performing market segmentation of said <u>parties customers</u>; identifying preferences of said <u>target party customers</u>; identifying sales promotional tools relevant to said target party; performing marketing targeted at an identified market segment; performing marketing targeted at said target party; and maximizing [[thel]] potential success of a promotional tool.
- (Currently Amended) The method of claim 1, <u>further</u> comprising the <u>further step of</u> providing incentives to said parties to form said relationships <u>customers to acquire descendent</u> customers.

11-12. (Canceled).

13. (Currently Amended) A system for <u>automatically</u> learning consumer behavior, said system comprising:

at least one communications interface operable for transmitting and receiving data;

a memory unit operable for storing data and instructions to be performed by a processing unit; and

a processing unit coupled to said at least one communications interface and said memory unit, said processing unit programmed to:

generate a hierarchical representation of relationships formed between an online merchant and a plurality of parties, said representation indicative of referrals to said merchant of certain of said parties by other of said parties;

obtain data relating to online transactions between said parties and said merchant; process said data; and

predict consumer behavior of a target party based on selected data relating to at least one party on a lower level in said hierarchical representation than said target party, said selected data selected from the processed data

a memory that stores an inputted loaded shared business opportunity (SBO) tree, wherein said SBO tree comprises;

a root node corresponding to an online merchant, who offers promotional tools and SBOs to potential customers;

child nodes corresponding to first customers, who accepted said promotional tools and said SBOs offered by said online merchant;

grandchild nodes corresponding to second customers, who accepted said promotional tools and said SBOs offered by said first customers; and

<u>leaf nodes corresponding to terminal customers, who accepted said promotional</u> tools from parent customers associated with parent nodes of said SBO tree,

wherein each of said promotional tools is associated with a specific

category of item; and

a processor configured to:

obtain data relating to all online transactions between said merchant and said first customers, said first customers and said second customers, and said terminal customers and said parent customers,

wherein said data comprises: customer identities; and past transactions, including redemption of specific promotional tools associated with a particular category of items by a customer associated with a particular node of said SBO tree;

select a particular transaction from said all online transactions;
identify a particular node of said SOB tree, associated with said particular transaction by an identified customer;

identify a parent node of said particular node of said SOB tree;
for each descendent node of said parent node, determine an applicability of a
specific promotional tool to a particular category of items, based on said past transactions; and
output, to said merchant, a specific promotional tool to a particular category of
items for a customer associated with said parent node, based on each applicability of a specific
promotional tool to a particular category of items for each customer associated with each
descendent node.

14-15. (Canceled).

- 16. (Currently Amended) The system of claim [[15]] 13, wherein said processing unit is further programmed to determine processor is further configured to provide a compensation for each ancestor of a party customer that performs [[a]] an online transaction with said merchant.
- (Currently Amended) The system of claim 16, wherein said compensation comprises a share of profit generated by said <u>online</u> transaction.
- 18. (Currently Amended) The system of claim 13, at least one wherein said data further

comprises any of:

demographics of said at least one party related to a customer; and acquaintances of said at least one party; related to a customer.

past transactions of said at least one party; and elickstream patterns of said at least one party.

19. (Currently Amended) The system of claim 13, wherein said enline transactions comprise redemption of a sales promotional tool selected from the group of sales promotional tools comprising comprises any of:

discount coupons valid for all items offered by said merchant;

discount coupons valid for a selected group particular category of items offered by said merchant:

discount coupons valid for a particular item offered by said merchant; gift certificates <u>valid for a particular category of items offered by said merchant</u>; and freebies <u>valid for a particular category of items offered by said merchant</u>.

20. (Currently Amended) The system of claim 13, wherein said online transactions comprise redemption of a sales promotional tool selected from sales promotional tools comprising determining an applicability of a specific promotional tool to a particular category of items comprises any of:

correlation analysis; collaborative filtering; and associative learning.

21. (Currently Amended) The system of claim 13, eomprising wherein said processor is further configured to perform any of:

determine determining pricing for items offered by said merchant; perform performing market segmentation of said parties customers; identify identifying preferences of said target party customers: identify sales promotional tools relevant to said target party;

perform performing marketing targeted at an identified market segment;

perform marketing targeted at said target party; and

maximize the maximizing potential success of a promotional tool.

(Currently Amended) The system of claim 13, wherein said processing unit is further
programmed to offer processor is further configured to provide an incentive to said parties to
form said relationships customers to acquire descendent customers.

23-24. (Canceled).

25. (Currently Amended) A computer program product comprising a computer readable medium comprising a computer program recorded therein for learning consumer behavior, said computer program product comprising storage device readable by machine, tangibly embodying a program of instructions executable by said machine to perform a method for automatically learning consumer behavior, said method comprising:

computer program code means for generating a hierarchical representation of relationships formed between an online merchant and a plurality of online parties, said representation based on referrals to said merchant of certain of said parties by other of said parties:

computer program code means for obtaining data relating to online transactions between said parties and said merchant;

computer program code means for processing said data; and

computer program code means for predicting consumer behavior of a target party-based on selected data relating to at least-one party on a lower level in said hierarchical representation than said target party, said-selected data selected from the processed data

inputting a loaded shared business opportunity (SBO) tree, wherein said SBO tree comprises:

a root node corresponding to an online merchant, who offers promotional tools

and SBOs to potential customers;

child nodes corresponding to first customers, who accepted said promotional tools and said SBOs offered by said online merchant;

grandchild nodes corresponding to second customers, who accepted said promotional tools and said SBOs offered by said first customers; and

<u>leaf nodes corresponding to terminal customers, who accepted said promotional</u> tools from parent customers associated with parent nodes of said SBO tree,

wherein each of said promotional tools is associated with a specific category of item:

obtaining data relating to all online transactions between said merchant and said first customers, said first customers and said second customers, and said terminal customers and said parent customers.

wherein said data comprises; customer identities; and past transactions, including redemption of specific promotional tools associated with a particular category of items by a customer associated with a particular node of said SBO tree;

selecting a particular transaction from said all online transactions;

identifying a particular node of said SOB tree, associated with said particular transaction by an identified customer;

identifying a parent node of said particular node of said SOB tree;

promotional tool to a particular category of items, based on said past transactions; and outputting, to said merchant, a specific promotional tool to a particular category of items for a customer associated with said parent node, based on each applicability of a specific promotional tool to a particular category of items for each customer associated with each descendent node.

for each descendent node of said parent node, determining an applicability of a specific

26-27. (Canceled).

28. (Currently Amended) The computer program product storage device of claim [[27]] 25,

said method further comprising computer program code means for determining providing compensation for each ancestor of a party customer that performs [[a]] an online transaction with said merchant.

- (Currently Amended) The eomputer program product storage device of claim 28, wherein said compensation comprises a share of profit generated by said online transaction.
- (Currently Amended) The eomputer program product storage device of claim 25, wherein said selected data further comprises data relating to at least one any of:

demographics of said at least one party related to a customer; and acquaintances of said at least one party; related to a customer.

past transactions of said at least one party; and eliekstream patterns of said at least one party.

31. (Currently Amended) The computer program product storage device of claim 25, wherein said online transactions comprise redemption of a sales promotional tool selected from the group of sales promotional tools comprising comprises any of:

discount coupons valid for all items offered by said merchant;

discount coupons valid for a selected group particular category of items offered by said merchant:

discount coupons valid for a particular item offered by said merchant; gift certificates valid for a particular category of items offered by said merchant; and freebies valid for a particular category of items offered by said merchant.

32. (Currently Amended) The computer program product storage device of claim 25, wherein said processing step comprises applying at least one technique comprising determining an applicability of a specific promotional tool to a particular category of items comprises any of: computer program code means for correlation analysis; computer program code means for collaborative filtering; and

computer program code means for associative learning.

33. (Currently Amended) The eomputer program product storage device of claim 25, said method further comprising any of:

eemputer program code means for determining pricing for items offered by said merchant:

computer program code means for performing market segmentation of said parties customers;

eomputer program code means for identifying preferences of said target-party <u>customers</u>; computer program code means for identifying sales promotional tools relevant to said target-party;

computer program code means for performing marketing targeted at an identified market segment;

computer program code means for performing marketing targeted at said target party; and computer program code means for maximizing [[the]] potential success of a promotional tool.

34. (Currently Amended) The eomputer program product storage device of claim 25, said method further comprising eomputer program code means for providing incentives to said parties to form-said relationships customers to acquire descendent customers.

35-36. (Canceled).